

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

With a Report on Internal Control and Compliance

June 30, 2008

DATE RECEIVED:



AUDIT REVIEW #(s) 04497

Assigned To: Ryan

Date Reviewed: 3/3/09

Reviewer's Initials: JR

Date Review(s) Completed: 3/9/09

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of State and Federal Awards	17
Report on compliance and on Internal Control over financial reporting based on an Audit of Financial Statements performed in accordance with Government Auditing Standards	18
Schedule of Findings, Questioned Costs and Corrective Action Plans	19



Lynda R. Boman
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Women's Crisis Support – Defensa de Mujeres
Watsonville, California

I have audited the statement of financial position of Women's Crisis Support – Defensa de Mujeres (a nonprofit organization), as of June 30, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the organization's 2007 financial statements and in my report dated February 15, 2008, I expressed an unqualified opinion on those statements.

I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Crisis Support – Defensa de Mujeres as of June 30, 2008 and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report on Women's Crisis Support – Defensa de Mujeres compliance and on internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Campbell, California
October 22, 2008

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES

STATEMENT OF FINANCIAL POSITION

June 30, 2008
(With Comparative Totals for 2007)

	2008				2007 Total
	Unrestricted	Temporarily Restricted	Unrestricted Fixed Assets	Total	
ASSETS					
Current assets					
Cash and equivalents	\$ 170,553	\$ 3,475	\$	\$ 174,028	\$ 235,277
Investments	418			418	791
Grants receivable	233,339			233,339	210,144
Prepaid expenses	-			-	-
Total current assets	404,310	3,475	-	407,785	446,212
Fixed assets					
Equipment & furniture			118,162	118,162	114,669
Building & improvements			768,883	768,883	778,883
Land			499,926	499,926	499,926
Fixed assets at cost			1,386,971	1,386,971	1,393,478
Less: accumulated depreciation			(365,761)	(365,761)	(346,553)
Net fixed assets			1,021,210	1,021,210	1,046,925
Other assets					
Cash held with Community Foundation	245,793			245,793	281,176
Deposit - rent/utilities	8,000			8,000	8,000
Deposit - workers comp/UI	1,169			1,169	2,043
Total other assets	254,962	-	-	254,962	291,219
Total assets	\$ 659,272	\$ 3,475	\$ 1,021,210	\$ 1,683,957	\$ 1,784,356
LIABILITIES AND NET ASSETS					
Current liabilities					
Current maturities	\$	\$	\$ 17,249	\$ 17,249	\$
Accounts payable	13,622			13,622	17,942
Accrued vacation	32,727			32,727	31,949
Total current liabilities	46,349	-	17,249	63,598	49,891
Long-term debt, net of current portion			759,244	759,244	792,941
Total liabilities	46,349	-	776,493	822,842	842,832
Net assets	612,923	3,475	244,717	861,115	941,524
Total liabilities and net assets	\$ 659,272	\$ 3,475	\$ 1,021,210	\$ 1,683,957	\$ 1,784,356

The accompanying notes are an integral part of these financial statements

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2008
(With Comparative Totals for 2007)

	2008				2007
	Unrestricted	Temporarily Restricted	Unrestricted Fixed Assets	Total	Total
Revenues, gains and other support					
Contributions and grants					
Donations	\$ 100,496	\$ 5,000	\$	\$ 105,496	\$ 125,599
Foundations	7,700	-		7,700	49,805
Government		1,269,835		1,269,835	1,328,935
Revenues					
Program fees	22,221			22,221	30,636
Other income	10			10	452
Investment Income	(5,105)			(5,105)	15,855
	<u>125,322</u>	<u>1,274,835</u>		<u>1,400,157</u>	<u>1,551,282</u>
Net assets released from restriction	<u>1,278,248</u>	<u>(1,278,248)</u>		<u>-</u>	<u>-</u>
Total revenues, gains and other support	1,403,570	(3,413)	-	1,400,157	1,551,282
Expenses					
Program expenses	1,296,292			1,296,292	1,294,569
Management expenses	89,548			89,548	122,452
Fundraising expenses	10,592			10,592	13,649
Board expenses	754			754	741
Fixed asset expenses			83,380	83,380	85,055
Total expenses	<u>1,397,186</u>	<u>-</u>	<u>83,380</u>	<u>1,480,566</u>	<u>1,516,466</u>
Operating revenues in excess (deficient) of expenses	6,384	(3,413)	(83,380)	(80,409)	34,816
Transfer to fixed asset fund	<u>(74,113)</u>		<u>74,113</u>	<u>-</u>	
Change in net assets	(67,729)	(3,413)	(9,267)	(80,409)	34,816
Transfer non-endowment fund					275,117
Net assets at beginning of year	<u>680,652</u>	<u>6,888</u>	<u>253,984</u>	<u>941,524</u>	<u>631,591</u>
Net assets at end of year	<u>\$ 612,923</u>	<u>\$ 3,475</u>	<u>\$ 244,717</u>	<u>\$ 861,115</u>	<u>\$ 941,524</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2008
(With Comparative Totals for 2007)

2008

	Program Expenses	Management and General	Fund-Raising	Board Expenses	Fixed Asset	Total Expenses	2007 Totals
Salaries and wages	\$ 827,153	\$ 44,385	-	\$ -	-	\$ 871,538	\$ 861,246
Payroll tax expense	74,955	3,925	-	-	-	78,880	79,979
Insurance - health	87,112	4,911	-	-	-	92,023	80,641
Insurance - worker's comp.	12,485	429	-	-	-	12,914	21,019
Total salaries and related expenses	1,001,705	53,650	-	-	-	1,055,355	1,042,885
Rent & triple net	58,192	9,828	-	-	-	68,020	64,293
Maintenance	27,226	2,801	-	-	-	30,027	31,231
Telephone/utilities	54,927	3,765	-	-	-	58,692	60,315
Travel/mileage	15,605	3,397	-	-	-	19,002	14,478
Insurance	12,244	1,288	-	-	-	13,532	13,479
Volunteer training/recruitment	1,465	150	-	-	-	1,615	7,702
Office expense	21,024	7,898	-	-	-	28,922	28,215
Outside service	80,859	3,437	-	-	-	84,296	133,240
Program/shelter food & supplies	14,570	-	-	-	-	14,570	11,313
Conference & seminar	5,020	789	-	-	-	5,809	5,250
Advertising	(18)	2,545	-	-	-	2,527	967
Board relations	-	-	-	754	-	754	741
Client aid	3,473	-	-	-	-	3,473	3,581
Fundraising	-	-	10,592	-	-	10,592	13,649
Bad debt	-	-	-	-	-	-	72
Depreciation expense	-	-	-	-	29,209	29,209	30,120
Interest	-	-	-	-	54,171	54,171	54,935
Total expenses	\$ 1,296,292	\$ 89,548	\$ 10,592	\$ 754	\$ 83,380	\$ 1,480,566	\$ 1,516,466

The accompanying notes are an integral part of these financial statements

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES

STATEMENT OF CASH FLOWS

Year Ended June 30, 2008
(With Comparative Totals for 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ (80,409)	\$ 34,816
Adjustments to reconcile changes in net assets to cash provided by operating activities		
Depreciation	29,209	30,120
Net realized loss/(gain) on investment	16,021	(46)
Increase (decrease) in operating assets		
Grants receivable	(23,195)	22,684
Security deposits	874	847
Prepaid expenses	-	13,536
Change in operating liabilities		
Accounts payable	(4,320)	3,851
Accrued liabilities	778	3,072
Deferred revenue	<u>-</u>	<u>(38,352)</u>
Net cash provided by/(used in) operating activities	(61,042)	70,528
Cash flows from investing activities:		
Proceeds transferred from Community Foundation Account	15,000	(7,294)
Investment charges with Community Foundation	4,735	1,235
Purchase of property and equipment	<u>(3,494)</u>	<u>(7,030)</u>
Net cash provided by/(used in) investing activities	16,241	(13,089)
Cash flows from financing activities:		
Payments on long-term debt	<u>(16,448)</u>	<u>(18,668)</u>
Net cash used in financing activities	<u>(16,448)</u>	<u>(18,668)</u>
Net change in cash and cash equivalents	(61,249)	38,771
Beginning cash and cash equivalents	<u>235,277</u>	<u>196,506</u>
Ending cash and cash equivalents	<u>\$ 174,028</u>	<u>\$ 235,277</u>

The accompanying notes are an integral part of these statements

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

Women's Crisis Support – Defensa de Mujeres is a public benefit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of California Revenue and Taxation Code. This organization was formed by the merger of two separate public benefit corporations exempt from income taxes: Women's Crisis Support and Shelter Services and Defensa de Mujeres. This merger was effective July 1, 2005. The organization offers services pertaining to domestic violence and sexual assault, shelter, advocacy, education and referral services to women and children in crisis or in abusive surroundings. The organization also provides counseling to chemically dependent women and victims of domestic violence. The organization's major sources of revenue include grants from the State of California Department of Health, Office of Emergency Services, local governments, foundations and public donations.

2. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles. The financial statements are presented in accordance with the provisions of FASB Statements No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations*, and the AICPA Audit and Accounting Guide for Not-for-Profit Organizations (the "Guide").

The accounts of the organization are presented in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

Under the provisions of FASB Statements 116 and 117 and the Guide, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Temporary restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. Expirations of temporary restrictions on net assets (such as, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

3. Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at date of donation.

4. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The OES grant revenues and receivables in particular are subject to differences due to: OES not providing explanations for differences in monthly payments from the amounts claimed, mixed federal and state funding, matching requirements, advances and the liquidation by OES of the advances beginning anywhere from three to five months prior to the grant year-end, and due to grant years ending on September 30 with the resulting final payments occurring sometimes months or even more than a year after the completion of the annual audit.

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Property and Equipment

Uses of operating funds for fixed asset acquisitions are accounted for as transfers to the fixed asset fund. Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

6. Cash Equivalents

For purpose of the statement of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

7. Investments

Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are recognized in the statement of activities. Investment return, including realized and unrealized gains and losses, is included as changes in net assets consistent with the purpose of the investment and donor imposed restrictions.

8. Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of personnel hours. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

9. Bad Debts

Bad debts are recorded using the direct write-off method whereby they are charged at the time management has determined them to be unrecoverable. Generally accepted accounting principles require that an allowance for bad debt be recorded, but the difference in the amount of bad debt recorded between the two methods is immaterial.

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE B — INVESTMENTS

The organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position in accordance with SFAS No. 124. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

The organization owns 16 shares of Bank of America stock. The fair market value as of June 30, 2008 was \$418.

NOTE C — DEFERRED REVENUE

Anticipated revenues from government restricted and conditional grants are as follows. No cash was received and no claims were submitted as of June 30, 2008 for the following amounts remaining in the grant budgets. Revenues will be recorded for these future amounts as the grant conditions are satisfied.

	Current Revenue	FYE 6/30/09 Anticipated Revenue	FYE 6/30/10 to 2012 Anticipated Revenues
California Dept of Health Services – RPE to 10/31/2009	\$ 46,549	\$ 61,884	\$ 0
California Dept of Health Services DV to 6/30/12	442,658	398,392	1,195,176
Total Anticipated Revenues	<u>\$ 489,207</u>	<u>\$ 460,276</u>	<u>\$ 1,195,176</u>

NOTE D — LEASE COMMITMENTS

As of 11/01/02, the organization leased office space at 1537 Pacific Avenue, Suites 300 and 301 for four years. At 11/01/05, the organization extended the lease for three years. The base rent is \$4,396. The lease stipulates for the organization to pay triple net expenses, including common area maintenance, real property taxes, insurance and utilities totaling \$898 per month. The minimum future lease payments plus triple net expenses are as follows at \$5,294 per month.

Fiscal year ending 6/30/09 (four months)	<u>\$ 21,176</u>
Total	<u>\$ 21,176</u>

The organization is subject to a parking assessment fee with the City of Santa Cruz redevelopment agency. If the organization terminates the lease early, a monthly assessment of \$1,114 for 72 months plus 5% interest will be assessed.

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE E — NOTES PAYABLE

The organization refinanced a loan secured by real property for \$98,767.50 in 1994 for establishing a foundation, payable to the Union Bank of California (formerly Monterey Bay Bank). Interest is charged at a variable rate. The interest rate as of June 30, 2008 was 6.625%. The loan is payable in 30 years. The balance due as of June 30, 2008 was \$ 74,057. Estimated minimum future principal payments are as follows:

Fiscal year ending 6/30/09	\$ 2,739
Fiscal year ending 6/30/10	2,926
Fiscal year ending 6/30/11	3,127
Fiscal year ending 6/30/12	3,340
Fiscal year ending 6/30/13	3,568
Thereafter	58,357
	<hr/>
Total	\$ 74,057

The organization paid \$25,000 to the City of Watsonville under an option agreement dated February 20, 1996. The option was effective for thirty years and allowed the organization to purchase the shelter property for \$237,975 plus simple interest at 3% from 2/20/96, less \$1,003 for each monthly rental payment by the organization under the thirty-year lease. On 4/17/01 the organization purchased the shelter for the total price of \$239,817. The organization refinanced to help pay for the elevator lift on 4/19/02 for \$232,000 from Community Bank of Central California with a variable interest rate of 7% on 6/30/04 which was to be paid in full on 4/19/07. This loan was paid during a refinance with Santa Cruz County Bank on 4/20/05.

Related to the above option the organization borrowed \$25,000 from the Eschaton Foundation. One promissory note for \$15,000 was repayable over fifteen years with simple interest at 5% per annum, secured by a guarantee by the City of Watsonville. The second promissory note for \$10,000 was repayable by March 13, 1998 less the amount of donations Defensa de Mujeres collected via a capital fund raising campaign by that date. On October 19, 1999 the Eschaton foundation forgave Defensa de Mujeres the \$10,000 on the original \$25,000 loaned with a caveat that the entire \$25,000 be used to acquire a building for Defensa de Mujeres. As of June 30, 2005 the balance due was \$8,309. The loan was paid on April 30, 2006.

The organization refinanced with Santa Cruz County Bank on April 5, 2005 to pay off the loan from Community Bank of Central California and help pay for the purchase of the shelter property located at 220 E. Lake Avenue. The principal loan amount borrowed from Santa Cruz County Bank was \$394,000 with variable interest of 6.875% for the first 60 months, increasing to 7.375% for another 60 months, with the principal balance of \$311,965 being due in full on April 5, 2015. The balance of this loan on June 30, 2008 was \$371,489.

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE E — NOTES PAYABLE – CONTINUED

Estimated minimum future principal payments are as follows:

Fiscal year ending 6/30/09	\$ 7,673
Fiscal year ending 6/30/10	8,093
Fiscal year ending 6/30/11	8,265
Fiscal year ending 6/30/12	8,855
Fiscal year ending 6/30/13	9,613
Thereafter	<u>328,990</u>
Total	<u>\$ 371,489</u>

The organization borrowed \$351,000 on April 5, 2005 from Santa Cruz County Bank for the purchase of the shelter property located at 233 E. Lake Avenue. The loan has a variable interest of 6.875% for the first 60 months, increasing to 7.375% for another 60 months, with the principal balance of \$277,918 being due in full on April 5, 2015. The balance of this loan on June 30, 2008 was \$ 330,947. Estimated future principal payments are as follows:

Fiscal year ending 6/30/09	\$ 6,837
Fiscal year ending 6/30/10	7,209
Fiscal year ending 6/30/11	7,363
Fiscal year ending 6/30/12	7,889
Fiscal year ending 6/30/13	8,564
Thereafter	<u>293,085</u>
Total	<u>\$ 330,947</u>

NOTE F – PENSION PLAN

As of December 2, 1999, management implemented a 403(b) variable annuity retirement plan for employee contributions only.

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE G — CONTINGENT LIABILITIES

Program fixed assets are generally provided by funding sources which may retain a reversionary interest in the asset if the intended use of the asset is discontinued.

NOTE H — INCOME TAXES

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

NOTE I — COLLECTIVE BARGAINING AGREEMENT

All non-management employees of the organization are covered by the collective bargaining agreement between the organization and Local 415, Service Employees International Union (SEIU). On February 20, 2007, there was a change of representation and Local 415 transferred responsibility to Local 521. The current term of the agreement expires on October 4, 2008.

NOTE J — HAMLIN FOUNDATION

As part of the dissolution of the Hamlin Foundation (a 501(c)(3) organization), the Board of Directors of Hamlin Foundation awarded \$202,865 to the organization to be transferred to the Community Foundation of Santa Cruz and established an endowment for the organization. The funds were received by the Community Foundation of Santa Cruz County in June of 2004. On April 18, 2007 the Community Foundation transferred the proceeds back under the ownership of the Organization under a new non-endowed fund. This addition is reflected on the financial statements as a change in net assets. The balance of the organization's non-endowment fund with Community Foundation of Santa Cruz County as of June 30, 2008 was \$245,793.

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE K — LINE OF CREDIT

On September 30, 2007, the Organization opened a \$150,000 line of credit, of which all \$150,000 was unused at June 30, 2008.

NOTE L — RISKS OF CONCENTRATION OF GOVERNMENT FUNDING

The organization is dependent on a concentration of government funding. A significant decrease in government funding could result in a corresponding significant decrease in operations.

NOTE M – SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid for the year ended June 30, 2008 aggregated \$54,171.

SUPPLEMENTAL INFORMATION

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES

SCHEDULE OF EXPENDITURES OF STATE AND FEDERAL AWARDS

Year Ended June 30, 2008

	Federal %	State %	Contract Number	Current Year Program Periods	Current Year Total Revenues	Current Year Program Expenditures
CA Dept of Health Services - Shelter Services	0	100	05-45091	7/01/07 to 6/30/08	\$ 442,658	\$ 442,658
CA Dept of Health Services - Rape Prevention	100	0	05-45642	7/01/07 to 6/30/08	46,549	46,549
CA Office of Emergency Services Domestic Violence Assistance Program	82	18	DV06211044	7/01/07 to 6/30/08	182,450	182,450
Sexual Assault Victim Services and Prevention	72	28	RC06251044	7/01/07 to 6/30/08	184,024	184,024
Sexual Assault Response Team/Victim Advocacy Program	100	0	SA06101044	7/1/07 to 9/30/2007	15,150	15,150
Total					\$ 870,831	\$ 870,831

Notes to Schedule of Expenditures of State and Federal Awards
Year Ended June 30, 2008

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Women's Crisis Support – Defensa de Mujeres and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirement of OMB Circular 1-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – CFDA #

<u>Office of Emergency Services</u>	<u>Federal sources by CFDA #</u>
Domestic Violence Assistance Program DV05201044	51% for 16.575; 29% for 93.671; 2% for 16.588
Sexual Assault Victim Services and Prevention RC05241044	72% for 16.575
Sexual Assault Response Team/Victim Advoc. Program	100% for 16.588

See Accompanying Notes and Accountant's Report



Lynda R. Boman
Certified Public Accountant

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

I have audited the financial statement of the Women's Crisis Support – Defensa de Mujeres as of and for the year ended June 30, 2008 and have issued my report thereon. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Women's Crisis Support – Defensa de Mujeres' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing the audit, I considered Women's Crisis Support – Defensa de Mujeres internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. I questioned no costs.

This report is intended solely for the information and use of the audit committee, management, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lynda R. Boman, CPA
October 22, 2008

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND CORRECTIVE ACTION PLANS
Year Ended June 30, 2008

FINDINGS

None

QUESTIONED COSTS

None

CORRECTIVE ACTION PLANS

Not Applicable

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES

REPORT ON CERTAIN
OES CATEGORICAL EXPENSES
AS SUPPLEMENTAL INFORMATION

July 1, 2007 through

Year Ended June 30, 2008



Lynda R. Boman
Certified Public Accountant

The Board of Directors
WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
233 East Lake Avenue
Watsonville, CA 95076

Independent Auditor's Report on Supplemental Information

I have audited the statement of financial position of Women's Crisis Support – Defensa de Mujeres (a nonprofit organization), as of June 30, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, dated October 22, 2008 the financial statements referred to above present fairly, in all material respects, the financial position of Women's Crisis Support – Defensa de Mujeres as of June 30, 2008 and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report on Women's Crisis Support – Defensa de Mujeres compliance and on internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Women's Crisis Support – Defensa de Mujeres taken as a whole. The accompanying report on certain OES categorical expenses is presented for purposes of additional analysis as required by the Office of Emergency Services, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lynda R. Boman, CPA
October 22, 2008

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES
Statement of Certain OES Categorical Expenses
For the Period July 1, 2007 through June 30, 2008

	Grant Number: DV07221044 Grant Period <u>7/1/07-6/30/08</u>	Grant Number: RC07261044 Grant Period <u>7/1/07-6/30/08</u>	Grant Number: SA06101044 Grant Period <u>7/01/07 -9/30/07</u>
<u>CATEGORICAL EXPENSES</u>			
Salary Expense	113,812	101,784	8,666
Payroll Tax Expense	10,515	9,403	803
Health Insurance	13,108	12,636	1,107
Workers Comp Insurance	1,530	1,369	114
Sexual Assault Support Group Facilitator/Counselor		8,500	
Clinical Supervision/Legal Advisor			
Mileage	1,990	2,670	332
Office Supplies	4,046	2,899	203
Program/Shelter Supplies	1,832	1,726	200
Printing	333	928	160
Postage	529	488	
Equipment Lease & Maintenance	2,734	2,602	282
Answering Service & Pagers	3,238	3,908	389
Client Aid		515	
Travel & Subsistance	1,000	912	100
Conference & Seminar	1,000	583	75
Recruitment			
Volunteer Program		1,000	
Membership/Subscription		735	150
Utilities	3,060	1,764	
Rent	4,143	11,130	366
Facility Maint/Equipment Purchase	1,347		
Liability Insurance	1,463	2,727	
Accounting & Audits	3,329	3,148	375
Telephone	2,060	2,419	961
Indirect @ 10% of Salaries	11,381	10,178	867
Total Categorical Expenses	182,450	184,024	15,150

WOMEN'S CRISIS SUPPORT - DEFENSA DE MUJERES

Statement of Certain OES Categorical Expenses

For the Period July 1, 2007 through June 30, 2008

	Grant Number: DV07221044	Grant Number: RC07261044	Grant Number: SA06101044
Audit Reimbursable Expenses through June 30, 2008	182,450	184,024	15,150
Total Expenses per Claims	221,947	209,916	15,150
Less: Cash Match	<u>(39,497)</u>	<u>(25,892)</u>	<u>-</u>
Claimed Reimbursable Expenses	182,450	184,024	15,150
Payments Received	<u>182,450</u>	<u>184,024</u>	<u>15,150</u>
Variance	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

381,624